

**GESC/Health Insurance
Board of Trustees**
*Presentation
Before the*

Committee of the Whole
September 24, 2026



Beverly Joseph,
Chairperson
GESC/Health Insurance Board of Trustees

Good day, members of the 36th Legislature of the Virgin Islands, members of the Committee of the Whole, and the listening audience.

I am Beverly A. Joseph, Chairperson of the Government Employees Service Commission Health Insurance Board of Trustees. On behalf of the Board, I appreciate the opportunity to present our recommendations for the Government's medical, prescription drug, dental, voluntary worksite, retiree Medicare Advantage, life, and voluntary vision insurance renewals for Fiscal Year 2027.

I would like to thank Governor Albert Bryan Jr., the members of the Legislature, my fellow Board members, the Division of Personnel, Group Health Insurance, counsel to the Board, our consultant, Gehring Group, and our insurance carriers for their work in developing and evaluating these recommendations.

The Board's objective throughout this renewal process was straightforward: preserve meaningful benefits for employees and retirees, limit the fiscal impact on the Government and plan participants, and secure the best overall terms reasonably available.

I will begin with the Cigna **medical** renewal for active employees and

non-Medicare retirees.

Based on medical claims experience through June 2026, claims expenditures were equal to 92% of premium, excluding administrative and other plan expenses. Claims costs per month decreased 6.6% over the prior year, while enrollment decreased 1.7%.

Cigna's initial standard underwriting calculation indicated a 17% increase. At the Board's request, Cigna applied the historical underwriting methodology, which reduced the indicated increase to 10%. Through further negotiations, the Board reduced the final renewal increase to 7%.

Importantly, the renewal preserves the existing plan design and prescription drug program management. Deductibles, copayments, and out-of-pocket maximums will remain unchanged. Based on the proposed premiums, the increase to the Central Government is approximately \$9.5 million, resulting in a total medical cost of approximately \$146 million.

The Board also negotiated an additional \$500,000 in wellness funding, bringing the total wellness fund to \$1.5 million for the upcoming fiscal year. Of that amount, \$750,000 is designated for approved gym membership and personal training proposals. The remaining \$750,000 will support approved wellness activities, events, and incentives.

Cigna will also continue important service and community commitments, including:

- Six two-year nursing scholarships to the University of the Virgin Islands at \$6,250 per student per year, along with \$375,000 in grants to nonprofit agencies;
- Two full-time, on-site customer service representatives;
- Omada's Pre-Diabetes Prevention Program and MotivateMe;
- Two Health Improvement Offices, two health coaches, and two mobile vans; and
- Performance guarantees placing \$1.7 million in premium at risk.

Dental premiums will increase by 6 percent, consistent with the contractual annual cap on premiums that the Board originally negotiated. Dental claims expenditures were equal to 104% premium, excluding administrative and other plan expenses, and claims costs per employee per month increased 2% over the prior year. Given the current plan losses, the Board believes the 6% increase is justified.

The Board recommends continuing Cigna's **voluntary** Accidental Injury, Critical Illness, and Hospital Care products for active employees. These products are paid for entirely by participating employees, with no cost

to the Board or the Government. Rates will remain unchanged for the upcoming fiscal year.

UnitedHealthcare remains the only insurer offering the group Medicare Advantage option for **post-sixty-five retirees** in the Territory. All post-sixty-five retirees are covered under one medical plan, whether they reside in the Territory or stateside. Coverage is nationwide. Retirees are not required to select a primary care physician, and referrals are not required to see a specialist.

For calendar year 2027, the approved combined medical and prescription drug premium is \$330.24 per person per month. This represents no increase in premiums. The pharmacy plan will remain carved out from the medical plan, so retirees will continue to receive separate medical and prescription drug identification cards. There will be no changes to copayments or deductibles in 2027.

Based on the current cost share, the Government portion is projected at just over \$17 million, and the retiree portion is projected at \$8.8 million. The overall program cost is approximately \$25.8 million.

The quarterly grocery and over-the-counter benefit will increase from \$40 to \$50. Credits will be added to a debit card on the first day of each quarter

and will expire at the end of the year. To fund this broader benefit for all covered retirees, the Board elected to eliminate the \$200,000 Wellness Incentive Fund.

HouseCalls will also continue in 2027, providing retirees with an annual in-home visit by a healthcare practitioner.

The Central Government provides **basic life and accidental death** and dismemberment coverage to active employees and retirees. Active employees receive \$10,000 dollars in life insurance coverage, and retirees receive \$5,000 dollars. The benefit doubles when death results from an accident. Active employees and retirees may also purchase additional life insurance through payroll deductions at no cost to the Central Government.

Although the contract permitted premium increases subject to a 10 percent premium cap in years four and five, the Board, through Gehring Group, negotiated no premium increase for two additional years. The overall cost to the Central Government is approximately \$425,000 dollars.

The **voluntary vision** plan is fully paid by participating active employees and retirees, with no Government contribution. To secure the lowest overall life insurance renewal, the Board accepted a modest increase in voluntary vision premiums while maintaining the existing benefits and

obtaining a two-year rate guarantee.

For employee-only or retiree-only coverage, the cost per pay period will increase from \$1.98 to \$2.09 cents, an increase of eleven cents. For employee or retiree family coverage, the cost per pay period will increase from \$5.22 cents to \$5.51, an increase of twenty-nine cents.

Now, in totality, these renewals preserve the core benefit offerings for employees and retirees at an **overall 5.8% increase**, avoiding changes to the medical plan's deductibles, copayments, and out-of-pocket maximums, maintaining the retiree Medicare Advantage with no increase to premiums, and continue important service, wellness, and community commitments.

The Board believes these recommendations provide the lowest overall cost reasonably available while maintaining viable and competitive benefit programs. Accordingly, the Board respectfully recommends approval of the medical, dental, voluntary worksite, MAPD, life, and voluntary vision renewals as presented.

Members of the 36th Legislature, the GESC/Health Insurance Board of Trustees appreciates your continued interest, support, and involvement in the Group Health Insurance Program. We look forward to your assistance in ensuring that these recommendations are approved.

Our consultant, the insurance carriers, the Division of Personnel, and I, on behalf of the Board, stand ready to answer any questions you may have regarding these renewals.

Thank you.

EXHIBIT A
Financial Charts

Government of The Virgin Islands of the United States
Central Government & GERS Group Health Projected Budget
Fiscal Year: October 1, 2026 - September 30, 2027

ASSUMES GOVERNMENT & EMPLOYEES SHARE INCREASE

Plan	Coverage Type	Enrollment	2025-2026 Estimated FY Total Premium	2025-2026 Estimated FY Employer Share	2025-2026 Estimated FY Employee Share	2026-2027 Projected FY Total Premium	2026-2027 Projected FY Employer Share	2026-2027 Projected FY Employee Share
Active Employees								
Medical	Employee	3,316	\$ 48,624,119	\$ 35,981,848	\$ 12,642,271	\$ 52,027,585	\$ 38,500,355	\$ 13,527,230
	Family	3,691	\$ 94,634,407	\$ 70,029,461	\$ 24,604,946	\$ 101,258,806	\$ 74,931,514	\$ 26,327,292
Dental	Employee	3,322	\$ 837,913	\$ 561,402	\$ 276,511	\$ 888,140	\$ 595,038	\$ 293,102
	Family	3,661	\$ 2,356,512	\$ 1,578,863	\$ 777,649	\$ 2,497,974	\$ 1,673,665	\$ 824,308
Life	Basic	7,728	\$ 93,663	\$ 93,663	\$ -	\$ 93,663	\$ 93,663	\$ -
	Voluntary	5,704	\$ 2,179,650	\$ -	\$ 2,179,650	\$ 2,179,650	\$ -	\$ 2,179,650
	Spouse	1,115	\$ 113,945	\$ -	\$ 113,945	\$ 113,945	\$ -	\$ 113,945
	Child(ren)	2,538	\$ 20,406	\$ -	\$ 20,406	\$ 20,406	\$ -	\$ 20,406
Vision	Employee	4,613	\$ 219,210	\$ -	\$ 219,210	\$ 231,388	\$ -	\$ 231,388
	Family	3,659	\$ 458,400	\$ -	\$ 458,400	\$ 483,866	\$ -	\$ 483,866
TOTAL - Active Employees			\$ 149,538,225	\$ 108,245,238	\$ 41,292,988	\$ 159,795,423	\$ 115,794,236	\$ 44,001,188
\$ Amount Increase/(Decrease)						\$ 10,257,198	\$ 7,548,998	\$ 2,708,200
% Amount Increase/(Decrease)						6.9%	7.0%	6.6%
Retirees								
Under 65 Medical	Retiree	778	\$ 14,792,145	\$ 10,946,187	\$ 3,845,958	\$ 15,827,694	\$ 11,712,519	\$ 4,115,175
	Retiree Dependents	394	\$ 7,493,250	\$ 5,545,005	\$ 1,948,245	\$ 8,017,828	\$ 5,933,206	\$ 2,084,622
	Family	412	\$ 13,985,613	\$ 10,349,353	\$ 3,636,259	\$ 14,964,654	\$ 11,073,856	\$ 3,890,797
Over 65 Medical	Medicare Advantage	6,505	\$ 25,780,296	\$ 17,014,995	\$ 8,765,301	\$ 25,780,296	\$ 17,014,995	\$ 8,765,301
Dental	Retiree	4,911	\$ 1,238,695	\$ 829,925	\$ 408,769	\$ 1,312,946	\$ 879,650	\$ 433,295
	Family	1,848	\$ 1,189,735	\$ 797,123	\$ 392,613	\$ 1,261,155	\$ 844,985	\$ 416,169
Life	Basic	8,251	\$ 331,690	\$ 331,690	\$ -	\$ 331,690	\$ 331,690	\$ -
	Voluntary	6,503	\$ 8,460,829	\$ -	\$ 8,460,829	\$ 8,460,829	\$ -	\$ 8,460,829
	Spouse	1,413	\$ 605,155	\$ -	\$ 605,155	\$ 605,155	\$ -	\$ 605,155
	Child(ren)	495	\$ 3,980	\$ -	\$ 3,980	\$ 3,980	\$ -	\$ 3,980
Vision	Retiree	929	\$ 44,146	\$ -	\$ 44,146	\$ 46,599	\$ -	\$ 46,599
	Family	257	\$ 32,197	\$ -	\$ 32,197	\$ 33,986	\$ -	\$ 33,986
TOTAL - Retirees			\$ 73,957,731	\$ 45,814,279	\$ 28,143,452	\$ 76,646,811	\$ 47,790,903	\$ 28,855,908
\$ Amount Increase/(Decrease)						\$ 2,689,080	\$ 1,976,623	\$ 712,457
% Amount Increase/(Decrease)						3.6%	4.3%	2.5%
TOTAL - Active Employees & Retirees			\$ 223,495,957	\$ 154,059,517	\$ 69,436,440	\$ 236,442,235	\$ 163,585,138	\$ 72,857,096
\$ Amount Increase/(Decrease)						\$ 12,946,278	\$ 9,525,622	\$ 3,420,656
% Amount Increase/(Decrease)						5.8%	6.2%	4.9%

Notes:

A. Projected Budget assumes Maximum Premium Rates Negotiated by GESC RFP No. 2023-01, Addendum 1, Addendum 2.

B. Over 65 Medical is 9-months of the fiscal year (effective January 1, 2027).

1. Estimated FY Total Premium may vary based upon actual enrollment for the remainder of current Fiscal Year & proposed Fiscal Year.

2. Costs account for Senate funded subsidies of member contributions for FY2019-2020; FY2020-2021; FY2021-2022; FY2022-2023; & FY2023-2024

Government of The Virgin Islands of the United States
Central Government & GERS Group Health Projected Budget
Fiscal Year: October 1, 2026 - September 30, 2027

ASSUMES GOVERNMENT ABSORBS INCREASE

Plan	Coverage Type	Enrollment	2025-2026 Estimated FY Total Premium	2025-2026 Estimated FY Employer Share	2025-2026 Estimated FY Employee Share	2026-2027 Projected FY Total Premium	2026-2027 Projected FY Employer Share	2026-2027 Projected FY Employee Share
Active Employees								
Medical	Employee	3,316	\$ 48,624,119	\$ 35,981,848	\$ 12,642,271	\$ 52,027,585	\$ 39,385,314	\$ 12,642,271
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Dental	Employee	3,322	\$ 837,913	\$ 561,402	\$ 276,511	\$ 888,140	\$ 611,629	\$ 276,511
	Family	3,661	\$ 2,356,512	\$ 1,578,863	\$ 777,649	\$ 2,497,974	\$ 1,720,324	\$ 777,649
Life	Basic	7,728	\$ 93,663	\$ 93,663	\$ -	\$ 93,663	\$ 93,663	\$ -
	Voluntary	5,704	\$ 2,179,650	\$ -	\$ 2,179,650	\$ 2,179,650	\$ -	\$ 2,179,650
	Spouse	1,115	\$ 113,945	\$ -	\$ 113,945	\$ 113,945	\$ -	\$ 113,945
	Child(ren)	2,538	\$ 20,406	\$ -	\$ 20,406	\$ 20,406	\$ -	\$ 20,406
Vision	Employee	4,613	\$ 219,210	\$ -	\$ 219,210	\$ 231,388	\$ -	\$ 231,388
	Family	3,659	\$ 458,400	\$ -	\$ 458,400	\$ 483,866	\$ -	\$ 483,866
TOTAL - Active Employees			\$ 149,538,225	\$ 108,245,238	\$ 41,292,988	\$ 159,795,423	\$ 118,464,791	\$ 41,330,633
\$ Amount Increase/(Decrease)						\$ 10,257,198	\$ 10,219,553	\$ 37,645
% Amount Increase/(Decrease)						6.9%	9.4%	0.1%
Retirees								
Under 65 Medical	Retiree	778	\$ 14,792,145	\$ 10,946,187	\$ 3,845,958	\$ 15,827,694	\$ 11,981,737	\$ 3,845,958
	Retiree Dependents	394	\$ 7,493,250	\$ 5,545,005	\$ 1,948,245	\$ 8,017,828	\$ 6,069,583	\$ 1,948,245
	Family	412	\$ 13,985,613	\$ 10,349,353	\$ 3,636,259	\$ 14,964,654	\$ 11,328,395	\$ 3,636,259
Over 65 Medical	Medicare Advantage	6,505	\$ 25,780,296	\$ 17,014,995	\$ 8,765,301	\$ 25,780,296	\$ 17,014,995	\$ 8,765,301
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Life	Basic	8,251	\$ 331,690	\$ 331,690	\$ -	\$ 331,690	\$ 331,690	\$ -
	Voluntary	6,503	\$ 8,460,829	\$ -	\$ 8,460,829	\$ 8,460,829	\$ -	\$ 8,460,829
	Spouse	1,413	\$ 605,155	\$ -	\$ 605,155	\$ 605,155	\$ -	\$ 605,155
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	Family	257	\$ 32,197	\$ -	\$ 32,197	\$ 33,986	\$ -	\$ 33,986
TOTAL - Retirees			\$ 73,957,731	\$ 45,814,279	\$ 28,143,452	\$ 76,646,811	\$ 48,499,118	\$ 28,147,693
\$ Amount Increase/(Decrease)						\$ 2,689,080	\$ 2,684,839	\$ 4,241
% Amount Increase/(Decrease)						3.6%	5.9%	0.0%
TOTAL - Active Employees & Retirees			\$ 223,495,957	\$ 154,059,517	\$ 69,436,440	\$ 236,442,235	\$ 166,963,909	\$ 69,478,326
\$ Amount Increase/(Decrease)						\$ 12,946,278	\$ 12,904,392	\$ 41,886
% Amount Increase/(Decrease)						5.8%	8.4%	0.1%

Notes:

A. Projected Budget assumes Maximum Premium Rates Negotiated by GESC RFP No. 2023-01, Addendum 1, Addendum 2.

B. Over 65 Medical is 9-months of the fiscal year (effective January 1, 2027).

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